

Amendments to House Bill No. 529  
3rd Reading Copy

Requested by Representative Bob Lake

For the House Appropriations Committee

Prepared by Jeff Martin  
March 21, 2007 (12:18pm)

1. Title, line 6 through line 7.

**Strike:** "TAXING" on line 6 through "JURISDICTIONS" on line 7

**Insert:** "GOVERNMENTS AND TAX INCREMENT FINANCING DISTRICTS UNDER  
THE ENTITLEMENT SHARE PAYMENT AND TO SCHOOL DISTRICTS UNDER  
THE SCHOOL DISTRICT BLOCK GRANTS"

2. Title, line 8 through line 9.

**Strike:** "PROVIDING" on line 8 through "2009" on line 9

3. Title, line 10.

**Following:** "7-1-2111"

**Insert:** "15-1-121,"

**Strike:** "AND"

**Following:** "20-9-406,"

**Insert:** "AND 20-9-630,"

4. Page 1, line 18.

**Strike:** "taxing jurisdiction"

**Insert:** "local government, as defined in 15-1-121(4), each school  
district, and each tax increment financing district"

5. Page 1, line 19.

**Strike:** "3"

**Insert:** "4"

6. Page 1, line 21.

**Strike:** "3"

**Insert:** "4"

**Strike:** "TAXING JURISDICTION"

**Insert:** "local government, school district, and tax increment  
financing district"

7. Page 1, line 22 through page 2, line 15.

**Strike:** subsection (2) through subsection (6) in their entirety

**Insert:** "(2) (a) The department shall distribute the  
reimbursement to local governments with the entitlement  
distributions to local governments under 15-1-121(6), and  
the office of public instruction shall distribute the  
reimbursement to school districts with block grants pursuant  
to 20-9-630(2)."

(b) For fiscal year 2008, the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each local government and for each school district. By June 15, 2008, the department shall distribute the amount determined under this subsection (2)(b) for local governments as provided in 15-1-121(5)(a). By June 15, 2008, the office of public instruction shall distribute the amount determined under this subsection (2)(b) as a block grant under 20-9-630.

(3) (a) The amount determined under subsection (1) for each tax increment financing district must be added to the entitlement share amount for the tax increment financing district as provided in 15-1-121(7)(b) if the tax increment finance district is still in existence. If a tax increment financing district that is entitled to a reimbursement under this section is not listed under 15-1-121(7), the reimbursement must be made to that tax increment financing district at the same time as other districts.

(b) For fiscal year 2008, the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each tax increment financing district. By June 15, 2008, the department shall distribute the amount determined under this subsection (3)(b) to each tax increment financing district as provided in 15-1-121(7)(b) and to any other tax increment financing district that is entitled to a reimbursement under this section."

8. Page 3, following line 19.

**Insert:** "Section 3. Section 15-1-121, MCA, is amended to read:

**"15-1-121. Entitlement share payment -- appropriation.** (1) As described in 15-1-120(3), each local government is entitled to an annual amount that is the replacement for revenue received by local governments for diminishment of property tax base and various earmarked fees and other revenue that, pursuant to Chapter 574, Laws of 2001, amended by section 4, Chapter 13, Special Laws of August 2002, and later enactments, was consolidated to provide aggregation of certain reimbursements, fees, tax collections, and other revenue in the state treasury with each local government's share. The reimbursement under this section is provided by direct payment from the state treasury rather than the ad hoc system that offset certain state payments with local government collections due the state and reimbursements made by percentage splits, with a local government remitting a portion of collections to the state, retaining a portion, and in some cases sending a portion to other local governments. The amount calculated pursuant to this subsection, as adjusted pursuant to subsection (3)(a)(i), is each local government's base entitlement share. The department shall estimate the total amount of revenue that each local government

~~received from the following sources for the fiscal year ending June 30, 2001:~~

~~(a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999;~~

~~(b) vehicle, boat, and aircraft taxes and fees pursuant to:~~

~~(i) Title 23, chapter 2, part 5;~~

~~(ii) Title 23, chapter 2, part 6;~~

~~(iii) Title 23, chapter 2, part 8;~~

~~(iv) 61-3-317;~~

~~(v) 61-3-321;~~

~~(vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment of 61-3-509 in 2001;~~

~~(vii) Title 61, chapter 3, part 7;~~

~~(viii) 5% of the fees collected under 61-10-122;~~

~~(ix) 61-10-130;~~

~~(x) 61-10-148; and~~

~~(xi) 67-3-205;~~

~~(c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);~~

~~(d) district court fees pursuant to:~~

~~(i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);~~

~~(ii) 25-1-202;~~

~~(iii) 25-1-1103;~~

~~(iv) 25-9-506; and~~

~~(v) 27-9-103;~~

~~(e) certificate of title fees for manufactured homes pursuant to 15-1-116;~~

~~(f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;~~

~~(g) all beer, liquor, and wine taxes pursuant to:~~

~~(i) 16-1-404;~~

~~(ii) 16-1-406; and~~

~~(iii) 16-1-411;~~

~~(h) late filing fees pursuant to 61-3-220;~~

~~(i) title and registration fees pursuant to 61-3-203;~~

~~(j) veterans' cemetery license plate fees pursuant to 61-3-459;~~

~~(k) county personalized license plate fees pursuant to 61-3-406;~~

~~(l) special mobile equipment fees pursuant to 61-3-431;~~

~~(m) single movement permit fees pursuant to 61-4-310;~~

~~(n) state aeronautics fees pursuant to 67-3-101; and~~

~~(o) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77, chapter 1, part 5.~~

~~(2) (a) From the amounts estimated in subsection (1) for each county government, the department shall deduct fiscal year 2001 county government expenditures for district courts, less~~

~~reimbursements for district court expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by the state in fiscal year 2002.~~

~~(b)(2) The total amount estimated pursuant to subsections (1) and (2)(a) received in fiscal year 2007 as an entitlement share payment under this section is the base component for the fiscal year 2008 distribution, and in each subsequent year the prior year entitlement share payment, including any reimbursement payments received pursuant to subsection (6), is each local government's base year component. The sum of all local governments' base year components is the base fiscal year entitlement share pool. For the purpose of calculating the sum of all local governments' base year components, the base year component for a local government may not be less than zero.~~

(3) (a) The base year entitlement share pool must be increased annually by a growth rate as provided for in this subsection (3). The amount determined through the application of annual growth rates is the entitlement share pool for each fiscal year. By October 1 of each even-numbered year, the department shall calculate the growth rate of the entitlement share pool for each year of the next biennium in the following manner:

~~(i) Before applying the growth rate for fiscal year 2007 to determine the fiscal year 2007 entitlement share payments, the department shall subtract from the fiscal year 2006 entitlement share payments the following amounts:~~

Beaverhead	\$6,972
Big Horn	\$52,551
Blaine	\$13,625
Broadwater	\$2,564
Carbon	\$11,537
Carter	\$407
Cascade	\$157,151
Chouteau	\$3,536
Custer	\$7,011
Daniels	\$143
Dawson	\$3,893
Fallon	\$1,803
Fergus	\$9,324
Flathead	\$33,655
Gallatin	\$222,029
Garfield	\$91
Glacier	\$3,035
Golden Valley	\$2,282
Granite	\$4,554
Hill	\$31,740
Jefferson	\$5,700
Judith Basin	\$1,487
Lake	\$38,314
Lewis and Clark	\$247,886
Liberty	\$152

Lincoln—\$3,759  
 Madison—\$8,805  
 McCone—\$1,651  
 Meagher—\$2,722  
 Mineral—\$2,361  
 Missoula—\$172,600  
 Musselshell—\$23,275  
 Park—\$6,582  
 Petroleum—\$36  
 Phillips—\$653  
 Pondera—\$10,270  
 Powder River—\$848  
 Powell—\$5,146  
 Prairie—\$717  
 Ravalli—\$93,090  
 Richland—\$3,833  
 Roosevelt—\$9,526  
 Rosebud—\$19,971  
 Sanders—\$30,712  
 Sheridan—\$271  
 Stillwater—\$12,117  
 Sweet Grass—\$2,463  
 Teton—\$5,560  
 Toole—\$7,113  
 Treasure—\$54  
 Valley—\$6,899  
 Wheatland—\$918  
 Wibaux—\$72  
 Yellowstone—\$266,644  
 Anaconda-Deer Lodge—\$20,707  
 Butte-Silver Bow—\$53,057  
 Alberton—\$675  
 Bainville—\$258  
 Baker—\$2,828  
 Bearcreek—\$143  
 Belgrade—\$11,704  
 Belt—\$1,056  
 Big Sandy—\$1,130  
 Big Timber—\$2,910  
 Billings—\$163,499  
 Boulder—\$2,340  
 Bozeman—\$52,805  
 Bridger—\$1,303  
 Broadus—\$766  
 Broadview—\$258  
 Brockton—\$414  
 Browning—\$1,830  
 Cascade—\$1,374  
 Chester—\$1,430  
 Chinook—\$2,275

Choteau — \$3,050  
 Circle — \$1,018  
 Clyde Park — \$572  
 Colstrip — \$4,090  
 Columbia Falls — \$6,805  
 Columbus — \$3,245  
 Conrad — \$4,562  
 Culbertson — \$1,216  
 Cut Bank — \$5,316  
 Darby — \$1,348  
 Deer Lodge — \$5,708  
 Denton — \$503  
 Dillon — \$6,928  
 Dodson — \$194  
 Drummond — \$561  
 Dutton — \$661  
 East Helena — \$2,888  
 Ekalaka — \$689  
 Ennis — \$1,518  
 Eureka — \$1,733  
 Fairfield — \$1,120  
 Fairview — \$1,152  
 Flaxville — \$143  
 Forsyth — \$3,286  
 Fort Benton — \$2,579  
 Fort Peck — \$393  
 Froid — \$328  
 Fromberg — \$855  
 Geraldine — \$457  
 Glasgow — \$5,361  
 Glendive — \$8,099  
 Grass Range — \$254  
 Great Falls — \$96,422  
 Hamilton — \$7,148  
 Hardin — \$5,920  
 Harlem — \$1,422  
 Harlowton — \$1,678  
 Havre — \$16,223  
 Helena — \$45,877  
 Hingham — \$263  
 Hobson — \$397  
 Hot Springs — \$912  
 Hysham — \$482  
 Ismay — \$43  
 Joliet — \$1,006  
 Jordan — \$606  
 Judith Gap — \$263  
 Kalispell — \$28,144  
 Kevin — \$304  
 Laurel — \$10,804

Lavina — \$361  
 Lewistown — \$10,170  
 Libby — \$4,475  
 Lima — \$397  
 Livingston — \$12,145  
 Lodge Grass — \$889  
 Malta — \$3,389  
 Manhattan — \$2,485  
 Medicine Lake — \$410  
 Melstone — \$234  
 Miles City — \$14,152  
 Missoula — \$104,264  
 Moore — \$319  
 Nashua — \$536  
 Neihart — \$149  
 Opheim — \$180  
 Outlook — \$125  
 Philipsburg — \$1,612  
 Pinesdale — \$1,413  
 Plains — \$2,007  
 Plentywood — \$3,185  
 Plevna — \$225  
 Polson — \$7,722  
 Poplar — \$1,544  
 Red Lodge — \$3,903  
 Rexford — \$263  
 Richey — \$309  
 Ronan — \$3,262  
 Roundup — \$3,280  
 Ryegate — \$465  
 Saco — \$354  
 Scobey — \$1,798  
 Shelby — \$5,677  
 Sheridan — \$1,150  
 Sidney — \$7,747  
 Stanford — \$737  
 Stevensville — \$3,063  
 St. Ignatius — \$1,367  
 Sunburst — \$709  
 Superior — \$1,521  
 Terry — \$1,011  
 Thompson Falls — \$2,272  
 Three Forks — \$3,130  
 Townsend — \$3,286  
 Troy — \$1,654  
 Twin Bridges — \$695  
 Valier — \$817  
 Virginia City — \$223  
 Walkerville — \$1,183  
 West Yellowstone — \$2,083

Westby — \$263  
White Sulphur Springs — \$1,734  
Whitefish \$9,932  
Whitehall \$1,889  
Wibaux — \$893  
Winifred — \$259  
Winnett — \$314  
Wolf Point — \$4,497

~~(ii)(i)~~ The department shall calculate the average annual growth rate of the Montana gross state product, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

(A) the last 4 calendar years for which the information has been published; and

(B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection ~~(3)(a)(ii)(A)~~ (3)(a)(i)(A).

~~(iii)(ii)~~ The department shall calculate the average annual growth rate of Montana personal income, as published by the bureau of economic analysis of the United States department of commerce, for the following periods:

(A) the last 4 calendar years for which the information has been published; and

(B) the 4 calendar years beginning with the year before the first year in the period referred to in subsection ~~(3)(a)(iii)(A)~~ (3)(a)(ii)(A).

(b) ~~(i)~~ The entitlement share pool growth rate for the first each year of the biennium must be the following percentage of the average of the growth rates calculated in subsections ~~(3)(a)(ii)(B)~~ (3)(a)(i)(B) and ~~(3)(a)(iii)(B)~~ (3)(a)(ii)(B):

~~(A)(i)~~ for counties, 54%;

~~(B)(ii)~~ for consolidated local governments, 62%; and

~~(C)(iii)~~ for incorporated cities and towns, 70%.

~~(ii) The entitlement share pool growth rate for the second year of the biennium must be the following percentage of the average of the growth rates calculated in subsections (3)(a)(ii)(A) and (3)(a)(iii)(A):~~

~~(A) for counties, 54%;~~

~~(B) for consolidated local governments, 62%; and~~

~~(C) for incorporated cities and towns, 70%.~~

(4) As used in this section, "local government" means a county, a consolidated local government, an incorporated city, and an incorporated town. A local government does not include a tax increment financing district provided for in subsection ~~(6)~~ (7). For purposes of calculating the base year component for a county or consolidated local government, the department shall include the revenue listed in subsection (i) for all special districts within the county or consolidated local government. The county or consolidated local government is responsible for making an allocation from the county's or consolidated local



government's share of the entitlement share pool to each special district within the county or consolidated local government in a manner that reasonably reflects each special district's loss of revenue sources ~~listed in subsection (1)~~ for which reimbursement is provided in this section.

(5) (a) The entitlement share pools calculated in this section, the amounts determined under [section 1(2)(b)] for local governments, and the block grants funding provided for in subsection (6) (7), including the amounts determined under [section 1(3)(b)], are statutorily appropriated, as provided in 17-7-502, from the general fund to the department for distribution to local governments. ~~Each local government is entitled to a pro rata share of each year's entitlement share pool based on the local government's base component in relation to the base year entitlement share pool. The~~ Except for the distribution made under [section 1(2)(b)], the distributions must be made on a quarterly basis.

(b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year and the entitlement share pool in the previous fiscal year. ~~For the purposes of subsection (5)(b)(ii)(A), a county with a negative base year component has a base year component of zero. The growth factor in the entitlement share must be calculated separately for:~~

- (A) counties;
- (B) consolidated local governments; and
- (C) incorporated cities and towns.

(ii) In each fiscal year, the growth amount for counties must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each county's percentage of the base prior fiscal year entitlement share pool for all counties; and

(B) 50% of the growth amount must be allocated based upon the percentage that each county's population bears to the state population not residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each consolidated local government's percentage of the base prior fiscal year entitlement share pool for all consolidated local governments; and

(B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local government's population bears to the state's total population residing within consolidated local governments as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

(A) 50% of the growth amount must be allocated based upon each incorporated city's or town's percentage of the base prior fiscal year entitlement share pool for all incorporated cities and towns; and

(B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's population bears to the state's total population residing within incorporated cities and towns as determined by the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(v) In each fiscal year, the amount of the entitlement share pool not represented by before the the growth amount or adjustments are made under subsection (6) are applied is to be distributed to each local government in the same manner as the entitlement share pool was distributed in the prior fiscal year.

(6) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the department shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to the entitlement share distribution under this section. The total entitlement share distributions in a fiscal year, including distributions made pursuant to this subsection, equal the local fiscal year entitlement share pool. The ratio of each local government's distribution from the entitlement share pool must be recomputed to determine each local government's ratio to be used in the subsequent year's distribution determination under subsections (5) (b) (ii) (A), (5) (b) (iii) (A), and (5) (b) (iv) (A).

~~(6)(7)~~ (a) If a tax increment financing district was not in existence during the fiscal year ending June 30, 2000, then the tax increment financing district is not entitled to any block grant funding. If a tax increment financing district referred to in subsection ~~(6)(b)~~ (7)(b) terminates, then the block grant funding for the district provided for in subsection ~~(6)(b)~~ (7)(b) terminates.

(b) One-half Except for the reimbursement made under [section 1(3)(b)], one-half of the payments provided for in this subsection ~~(6)(b)~~ (7)(b) must be made by November 30 and the other half by May 31 of each year. Subject to subsection ~~(6)(a)~~ (7)(a), the entitlement share for tax increment financing districts is as follows:

Cascade	Great Falls - downtown	\$468,966
Deer Lodge	TIF District 1	3,148
Deer Lodge	TIF District 2	3,126
Flathead	Kalispell - District 1	<del>758,359</del>
Flathead	Kalispell - District 2	5,153
Flathead	Kalispell - District 3	41,368
Flathead	Whitefish District	164,660
Gallatin	Bozeman - downtown	34,620

~~Lewis and Clark~~ ~~Helena~~ ~~- 2~~ ~~731,614~~  
 Missoula Missoula - ~~1-1B & 1-1C~~ ~~1,100,507~~ 250,279  
 Missoula Missoula - 4-1C 33,343  
 Silver Bow Butte - uptown 283,801  
 Yellowstone Billings 436,815

~~(7)(8)~~ The estimated base fiscal year entitlement share pool and any subsequent entitlement share pool for local governments do not include revenue received from tax increment financing districts, from countywide transportation block grants, or from countywide retirement block grants.

~~(8) (a) If revenue that is included in the sources listed in subsections (1)(b) through (1)(o) is significantly reduced, except through legislative action, the department shall deduct the amount of revenue loss from the entitlement share pool beginning in the succeeding fiscal year and the department shall work with local governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of revenue.~~

~~(b) For the purposes of subsection (8)(a), a significant reduction is a loss that causes the amount of revenue received in the current year to be less than 95% of the amount of revenue received in the base year.~~

(9) A three-fifths vote of each house is required to reduce the amount of the entitlement share calculated pursuant to subsections (1) through (3).

(10) When there has been an underpayment of a local government's share of the entitlement share pool, the department shall distribute the difference between the underpayment and the correct amount of the entitlement share. When there has been an overpayment of a local government's entitlement share, the local government shall remit the overpaid amount to the department.

(11) A local government may appeal the department's estimation of the base year component, the entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according to the uniform dispute review procedure in 15-1-211.

(12) A payment required pursuant to this section may not be offset by a debt owed to a state agency by a local government in accordance with Title 17, chapter 4, part 1."

{ Internal References to 15-1-121:

15-1-120x 17-4-105x 17-7-502 a 77-1-504x} "

**Renumber:** subsequent sections

9. Page 7, line 20.

**Strike:** "(i)"

10. Page 7, line 27 through line 28.

**Strike:** subsection (ii) in its entirety

11. Page 9, line 6.

**Following:** "entity"

**Insert:** ":

(i) "

12. Page 9, line 7.

**Following:** "reimbursements"

**Insert:** ";

(ii) shall decrease the number of mills to account for a new reimbursement under the provisions of 15-1-121(6) that is added to the entitlement share payment to offset a reduction in property tax revenue. The decrease in mills applies in the first fiscal year in which the new reimbursement is received"

13. Page 10, line 7.

**Strike:** "[section 1];"

14. Page 10, line 11.

**Following:** "20-9-622;"

**Insert:** "20-9-630;"

15. Page 12, following line 25.

**Insert:** "Section 10. Section 20-9-630, MCA, is amended to read:

"20-9-630. School district block grants. (1) (a) The office of public instruction shall provide a block grant to each school district based on:

(i) the revenue received by each district in fiscal year 2001 from vehicle taxes and fees, corporate license taxes paid by financial institutions, aeronautics fees, state land payments in lieu of taxes, and property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter 584, Laws of 1999; and

(ii) any reimbursement to be made to a school district pursuant to subsection (2).

(b) Block grants must be calculated using the electronic reporting system that is used by the office of public instruction and school districts. The electronic reporting system must be used to allocate the block grant amount into each district's budget as an anticipated revenue source by fund.

~~(c) With the exception of vehicle taxes and fees, the office of public instruction shall use the amount actually received from the sources listed in subsection (1)(a) in fiscal year 2001 in its calculation of the block grant for fiscal year 2002 budgeting purposes. For vehicle taxes and fees, the office of public instruction shall use 93.4% of the amount actually received in fiscal year 2001 in calculating the block grant for fiscal year 2002.~~

~~(2) If the fiscal year 2003 appropriation provided in section 248(1), Chapter 574, Laws of 2001, is insufficient to fund the school district block grants in fiscal year 2003 at the fiscal year 2002 level, the office of public instruction shall~~

~~prorate the block grants to meet the remaining appropriation. School districts shall anticipate the prorated block grant amounts provided by the office of public instruction in their budgets for fiscal year 2003.~~

(2) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section, the office of public instruction shall determine the reimbursement amount as provided in the enactment and add the appropriate amount to block grant distributions under this section. The total of reimbursement distributions made pursuant to this subsection in a fiscal year must be added to all other distributions to the school district in the fiscal year to determine the distribution for the subsequent fiscal year. The block grant percentage increases in subsections (4)(a) and (4)(c) do not apply to reimbursements made under this subsection for the fiscal year of the first reimbursement, but do apply to the block grant amounts in subsequent fiscal years that incorporate reimbursement added in previous fiscal years. For the purpose of this subsection, the "fiscal year of the first reimbursement" does not include the fiscal year in which the reimbursement under [section 1(2)(b)] is made.

(3) Each Except for the reimbursement made under [section 1(2)(b)], each year, 70% of each district's block grant must be distributed in November and 30% of each district's block grant must be distributed in May at the same time that guaranteed tax base aid is distributed.

(4) (a) The block grant for the district general fund is equal to the average amount received in fiscal years 2002 and 2003 by the district general fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

(b) The block grant for the district transportation fund is equal to one-half of the average amount received in fiscal years 2002 and 2003 by the district transportation fund from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

(c) (i) The combined fund block grant is equal to the average amount received in fiscal years 2002 and 2003 by the district tuition, bus depreciation reserve, building reserve, nonoperating, and adult education funds from the block grants provided for in subsection (1). The block grant must be increased by 0.76% in fiscal year 2004 and in each succeeding fiscal year.

(ii) The school district may deposit the combined fund block grant into any budgeted fund of the district.

(5) The funding for block grants provided for in this section, including the reimbursement under [section 1(2)(b)], is statutorily appropriated, as provided in 17-7-502, from the general fund to the office of public instruction for distribution to school districts."

{ Internal References to 20-9-630:

20-9-141 x 20-10-144x} "

**Renumber:** subsequent sections

- END -